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AGENDA ITEM # 5802

WATER/FLC/SNR/PTL/HJL/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION NO. W-4609
July 20, 2006

R E S O L U T I O N

(RES. W-4609), MAR VISTA WATER COMPANY, INC., (Mar Vista). ORDER AUTHORIZING A RATE BASE OFFSET REVENUE INCREASE OF \$14,605 OR 12.2%.

SUMMARY

By Advice Letter 34-W, filed May 15, 2006 and supplemented by Advice Letter 34-W-A on May 23, 2006, Mar Vista seeks to increase rates by \$14,605 or 12.2% to recover the amount resulting from an increase in rate base. The increase will not result in a rate of return greater than last authorized for Mar Vista.

BACKGROUND

Mar Vista is a Class D water utility currently providing water service to the Forest Glenn Subdivision and vicinity, located one mile east of the community of Aptos, Santa Cruz County.

Mar Vista requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates to offset the cost associated with capital improvements from 2001 through 2004 totaling \$134,055 and for the installation of meters totaling \$9,182 in accordance with Res.W-4579.

Mar Vista's present rates became effective on April 17, 2006 pursuant to Res.W-4579 and approved compliance letter dated March 23, 2006.

NOTICE AND PROTESTS

Mar Vista noticed all customers by a special mailing. The Water Branch received the affidavit of mailing on May 24, 2006. Six protests were received and responded to by the staff. Five protests were received by the company, and it responded.

DISCUSSION

Mar Vista completed these capital improvements from 2001 through 2006. The Branch conducted a field tour inspecting all facilities, reviewed the invoices and backup information, and found them to be reasonable. The revenue requirement for these facilities is \$14,605 or 12.2%.

Service by Mar Vista is satisfactory. Mar Vista is actively complying with the ordering paragraphs of Res. W-4579 and is supplying compliance updates on other projects.

Mar Vista's current rate structure consists of two rate schedules: 1A, Annual Metered Service, and 2AR, Annual Residential Flat Rate Service. Both the quantity and service charge rates will be increased by 12.2%.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g) (2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. Mar Vista is current with its compliance letter dated March 23, 2006 by submitting Advice Letter 34-A, which is supported by invoices and work papers.
2. Mar Vista has additional meter installations in process in compliance with Resolution W-4579 and will be filing periodic rate base offsets in the future.

3. The rate base additions total \$143,237 after depreciation.
4. The Commission finds, after investigation by the Water Branch, that the rate increase hereby authorized is justified, and the resulting rate increase is just and reasonable.
5. This is an uncontested matter subject to the public notice comment exclusion provided in PU Code Section 311 (g) (2).

THEREFORE IT IS ORDERED THAT:

1. Mar Vista is authorized, five days after the effective date herein, to make effective the revised rate Schedules Nos. 1A, Annual Metered Service, and 2AR, Annual Residential Flat Rate Service, attached to Advice Letter No. 34-W-A, and to concurrently cancel the presently effective rate schedules.
2. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 20, 2006; the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director